

**AMENDMENT TO**  
**RULES COMMITTEE PRINT 118-10**  
**OFFERED BY MRS. RODGERS OF WASHINGTON**

Add at the end the following:

1 **DIVISION E—TRANSFORMATION**  
2 **TO COMPETITIVE INTE-**  
3 **GRATED EMPLOYMENT**

4 **SEC. 5001. SHORT TITLE.**

5 This division may be cited as the “Transformation  
6 to Competitive Integrated Employment Act”.

7 **SEC. 5002. TABLE OF CONTENTS.**

8 The table of contents for this division is as follows:

Sec. 5001. Short title.

Sec. 5002. Table of contents.

Sec. 5003. Purposes.

TITLE LI—COMPETITIVE INTEGRATED EMPLOYMENT  
TRANSFORMATION GRANT PROGRAMS

Sec. 5101. Program authorized.

Sec. 5102. State grant program.

Sec. 5103. Certificate holder grant program.

TITLE LII—PHASE OUT OF SPECIAL CERTIFICATES UNDER  
SECTION 14(C) OF THE FAIR LABOR STANDARDS ACT OF 1938

Sec. 5201. Transition to fair wages for individuals with disabilities.

Sec. 5202. Prohibition on new special certificates; sunset.

TITLE LIII—TECHNICAL ASSISTANCE AND DISSEMINATION

Sec. 5301. Technical Assistance and dissemination.

TITLE LIV—REPORTING AND EVALUATION

Sec. 5401. Impact evaluation and reporting.

Sec. 5402. Wage and hour reports.

TITLE LV—GENERAL PROVISIONS

Sec. 5501. Definitions.

Sec. 5502. Authorization of appropriations.

1 **SEC. 5003. PURPOSES.**

2 The purposes of this division are to—

3 (1) assist employers with special certificates  
4 issued under section 14(c) of the Fair Labor Stand-  
5 ards Act of 1938 (29 U.S.C. 214(c)) to transform  
6 their business and program operations to models  
7 that support individuals with disabilities to find and  
8 retain work in competitive integrated employment;

9 (2) ensure individuals with disabilities, families  
10 of such individuals, State and local governments,  
11 and other stakeholders are involved in the trans-  
12 formations described in paragraph (1);

13 (3) ensure individuals employed in programs  
14 using such special certificates transition to competi-  
15 tive integrated employment positions and, as needed,  
16 to integrated services that support them in their  
17 homes and in community settings;

18 (4) identify models and processes for shifting  
19 business and program models from such special cer-  
20 tificates to competitive integrated employment mod-  
21 els and integrated community participation and  
22 wraparound services, and to share that information  
23 with other such special certificate holders, State and

1 local entities, and other service providers for individ-  
2 uals with disabilities; and

3 (5) support States and local governments as  
4 they revise and implement their Olmstead plans and  
5 local plans, respectively, in order to improve com-  
6 petitive integrated employment outcomes for individ-  
7 uals with disabilities through all State workforce de-  
8 velopment systems.

9 **TITLE LI—COMPETITIVE INTE-**  
10 **GRATED EMPLOYMENT**  
11 **TRANSFORMATION GRANT**  
12 **PROGRAMS**

13 **SEC. 5101. PROGRAM AUTHORIZED.**

14 From the amounts appropriated to carry out this  
15 title, the Secretary of Labor shall award grants under sec-  
16 tions 5102 and 5103, on a competitive basis, to States  
17 and eligible entities to assist employers who were issued  
18 special certificates in transforming their business and pro-  
19 gram models from providing employment using such spe-  
20 cial certificates to business and program models that em-  
21 ploy and support individuals with disabilities by—

22 (1) providing competitive integrated employ-  
23 ment, including by compensating all employees of  
24 the employer at a rate that is—

1 (A) not less than the higher of the rate  
2 specified in section 6(a)(1) of the Fair Labor  
3 Standards Act of 1938 (29 U.S.C. 206(a)(1))  
4 or the rate specified in the applicable State or  
5 local minimum wage law; and

6 (B) not less than the customary rate paid  
7 by the employer for the same or similar work  
8 performed by other employees who are not indi-  
9 viduals with disabilities, and who are similarly  
10 situated in similar occupations by the same em-  
11 ployer and who have similar training, experi-  
12 ence, and skills;

13 (2) assisting individuals with disabilities who  
14 were employed by the employer in finding and re-  
15 taining work in competitive integrated employment,  
16 which work may be with the employer after such  
17 transformation or in another competitive integrated  
18 employment setting;

19 (3) providing integrated community participa-  
20 tion and wraparound services for individuals with  
21 disabilities; and

22 (4) ensuring all such services and other non-  
23 employment services offered under, or with assist-  
24 ance from, such a grant comply with the require-  
25 ments for home and community-based services under

1 the Home and Community-Based Services (HCBS)  
2 final rule published on January 16, 2014 (79 Fed.  
3 Reg. 2948), or a successor rule.

4 **SEC. 5102. STATE GRANT PROGRAM.**

5 (a) APPLICATION.—

6 (1) IN GENERAL.—To be eligible to receive a  
7 grant under this section, a State shall submit an ap-  
8 plication to the Secretary at such time, in such man-  
9 ner, and including such information as the Secretary  
10 may reasonably require.

11 (2) CONTENTS.—Each application submitted  
12 under paragraph (1) shall include—

13 (A) a description of the status of the em-  
14 ployers in the State providing employment  
15 using special certificates, including—

16 (i) the number of employers in the  
17 State using special certificates to employ  
18 and pay individuals with disabilities;

19 (ii) the number of employers described  
20 in clause (i) that also employ individuals  
21 with disabilities in competitive integrated  
22 employment, which shall include employers  
23 providing such employment in combination  
24 with integrated services;

- 1 (iii) the number of employees em-  
2 ployed under a special certificate,  
3 disaggregated by—
- 4 (I) employer; and
- 5 (II) demographic characteristics,  
6 including gender, race, ethnicity, and  
7 type of disability, unless indicating  
8 such characteristics would disclose  
9 personally identifiable information;
- 10 (iv) the average, median, minimum,  
11 and maximum number of hours such em-  
12 ployees work per week, disaggregated by  
13 employer, and reported for the State as a  
14 whole; and
- 15 (v) the average, median, minimum,  
16 and maximum hourly wage for such em-  
17 ployees, disaggregated by employer, and  
18 reported for the State as a whole;
- 19 (B) a description of the activities of the  
20 State with respect to competitive integrated em-  
21 ployment for individuals with disabilities, in-  
22 cluding, as applicable—
- 23 (i) a copy of the State plan for car-  
24 rying out the Employment First initiative;

1 (ii) a copy of the Olmstead plan of the  
2 State;

3 (iii) a description of activities related  
4 to the development and promotion of  
5 ABLE accounts; and

6 (iv) a description of the medical as-  
7 sistance provided by the State through a  
8 Medicaid buy-in eligibility pathway under  
9 subclause (XV) or (XVI) of section  
10 1902(a)(10)(A)(ii) of the Social Security  
11 Act (42 U.S.C. 1396a(a)(10)(A)(ii)), in-  
12 cluding any premiums or other cost shar-  
13 ing imposed on individuals who enroll in  
14 the State Medicaid program through such  
15 a pathway;

16 (C) a description of activities to be funded  
17 under the grant, and the goals of such activi-  
18 ties, including—

19 (i) the process to be used to identify  
20 each employer in the State that will trans-  
21 form its business and program models  
22 from employing individuals with disabilities  
23 using special certificates to employing indi-  
24 viduals with disabilities in competitive inte-  
25 grated employment settings, or a setting

1 involving a combination of competitive in-  
2 tegrated employment and integrated serv-  
3 ices;

4 (ii) the number of such employers in  
5 the State that will carry out a trans-  
6 formation described in clause (i);

7 (iii) the service delivery infrastructure  
8 that will be implemented in the State to  
9 support individuals with disabilities who  
10 have been employed under special certifi-  
11 cates through such a transformation, in-  
12 cluding providing enhanced integrated  
13 services to support individuals with the  
14 most significant disabilities;

15 (iv) a description of the process to re-  
16 cruit and engage Federal, State, and local  
17 governments and nonprofit and private em-  
18 ployers to hire individuals with disabilities  
19 into competitive integrated employment  
20 who have been employed under special cer-  
21 tificates;

22 (v) the competitive integrated employ-  
23 ment and integrated services that will be  
24 implemented in the State to support such  
25 individuals;

1 (vi) a timeline for phasing out employ-  
2 ment using special certificates in the State,  
3 which shall not extend past the date on  
4 which the legal effect of such certificates  
5 expires under section 14(c)(7) of the Fair  
6 Labor Standards Act of 1938 (29 U.S.C.  
7 214(c)(7)), as added by title LII;

8 (vii) a timeline for the expansion of  
9 employers that will provide competitive in-  
10 tegrated employment, or a combination of  
11 competitive integrated employment and in-  
12 tegrated services, to individuals with dis-  
13 abilities who have been employed by such  
14 employers under special certificates;

15 (viii) a description of the expanded  
16 competitive integrated employment and in-  
17 tegrated services to be provided to such in-  
18 dividuals as a result of transformations de-  
19 scribed in clause (i); and

20 (ix) a description of the process to be  
21 used to engage stakeholders in such trans-  
22 formations;

23 (D) a description of how the activities  
24 under the grant will coordinate and align Fed-  
25 eral, State, and local programs, agencies, and

1 funding in the transformations described in  
2 subparagraph (C)(i);

3 (E) a description of the State's evaluation  
4 plan to determine the social and economic im-  
5 pact of the grant, including the impact (as  
6 measured throughout the transformation and  
7 the 2-year period after the State has phased out  
8 employment using special certificates) on—

9 (i) the employment status of individ-  
10 uals with disabilities in the State, including  
11 the number of hours worked, average  
12 wages, and job satisfaction, of such indi-  
13 viduals; and

14 (ii) changes in provider capacity to  
15 support competitive integrated employment  
16 and integrated services;

17 (F) assurances that—

18 (i) the activities carried out under the  
19 grant will result in each employer in the  
20 State that provides employment using spe-  
21 cial certificates on the date of enactment of  
22 this Act transforming as described in sub-  
23 paragraph (C)(i);

24 (ii) individuals with the most signifi-  
25 cant disabilities, including intellectual and

1 developmental disabilities, who will be af-  
2 fected by such a transformation will be  
3 given priority in receiving the necessary  
4 competitive integrated employment sup-  
5 ports and integrated services to succeed  
6 during and after such a transformation;

7 (iii) each individual in the State who  
8 is employed under a special certificate will,  
9 as a result of such a transformation, be  
10 employed in competitive integrated employ-  
11 ment;

12 (iv) at a minimum, the State agencies  
13 responsible for developmental disability  
14 services, Medicaid, education, vocational  
15 rehabilitation, mental health services,  
16 transportation, and workforce development  
17 agree to be partners in the goals of the  
18 grant;

19 (v) until the date that is 2 years after  
20 the legal effect of special certificates ex-  
21 pires under section 14(c)(7) of the Fair  
22 Labor Standards Act of 1938 (29 U.S.C.  
23 214(c)(7)), as added by title LII, the State  
24 will comply with requirements of the Sec-  
25 retary with respect to the collection of

1 data, and will require employers providing  
2 employment under special certificates in  
3 the State to comply with such require-  
4 ments;

5 (vi) the State will cooperate with the  
6 evaluation under title LIV by providing all  
7 data required and allow the evaluation of  
8 activities under the grant;

9 (vii) the State will establish an advi-  
10 sory council described in paragraph (3) to  
11 monitor and guide the process of trans-  
12 forming business and program models of  
13 employers in the State as described in sub-  
14 paragraph (C)(i);

15 (viii) the State will cooperate with the  
16 nonprofit entity carrying out technical as-  
17 sistance and dissemination activities under  
18 title LIII;

19 (ix) all integrated services and non-  
20 employment services offered by employers  
21 in the State will comply with—

22 (I) the requirements for home  
23 and community-based services under  
24 the Home and Community-Based  
25 Services (HCBS) final rule published

1 on January 16, 2014 (79 Fed. Reg.  
2 2948), or a successor rule;

3 (II) the holding of the Olmstead  
4 decision; and

5 (III) the Americans with Disabil-  
6 ities Act of 1990 (42 U.S.C. 12101 et  
7 seq.); and

8 (x) the State will disseminate informa-  
9 tion to all individuals with disabilities em-  
10 ployed under special certificates regarding  
11 the availability of—

12 (I) ABLE accounts and other  
13 asset developmental options for indi-  
14 viduals with disabilities;

15 (II) the Ticket to Work and Self  
16 Sufficiency Program established under  
17 section 1148 of the Social Security  
18 Act (42 U.S.C. 1320b–19); and

19 (III) other resources related to  
20 benefits counseling for individuals  
21 with disabilities who wish to or are  
22 working in competitive integrated em-  
23 ployment settings; and

24 (G) such other information and assurances  
25 as the Secretary may reasonably require.

1           (3) MEMBERS OF THE ADVISORY COUNCIL.—A  
2           State receiving a grant under this section shall, for  
3           the purpose described in paragraph (2)(F)(vii), es-  
4           tablish an advisory council composed of the fol-  
5           lowing:

6                   (A) Individuals with disabilities, including  
7                   such individuals with intellectual and develop-  
8                   mental disabilities, who are or were employed  
9                   under a special certificate, who shall comprise  
10                  not less than 25 percent of the members.

11                   (B) A family member of an individual with  
12                   an intellectual or developmental disability who  
13                   is employed under a special certificate.

14                   (C) A family member of an individual with  
15                   an intellectual or developmental disability who  
16                   is employed in competitive integrated employ-  
17                   ment.

18                   (D) An employer providing competitive in-  
19                   tegrated employment.

20                   (E) An employer providing employment  
21                   under special certificates.

22                   (F) A representative of a nonprofit agency  
23                   or organization specializing in competitive inte-  
24                   grated employment.

1 (G) A representative of the State develop-  
2 mental disability agency.

3 (H) A representative of the State voca-  
4 tional rehabilitation agency, as such term is  
5 used under the Rehabilitation Act of 1973 (29  
6 U.S.C. 701 et seq.).

7 (I) A representative of an agency in the  
8 State described in paragraph (6) or (7) of sec-  
9 tion 8501 of title 41, United States Code.

10 (J) A representative of the State inde-  
11 pendent living centers, as such term is used  
12 under the Rehabilitation Act of 1973 (29  
13 U.S.C. 701 et seq.).

14 (K) A representative of the State Council  
15 on Developmental Disabilities, as defined in sec-  
16 tion 102 of the Developmental Disabilities As-  
17 sistance and Bill of Rights Act of 2000 (42  
18 U.S.C. 15002).

19 (L) A representative of one of the State  
20 University Centers for Excellence in Develop-  
21 mental Disabilities Education, Research, and  
22 Service, established under subtitle D of title I  
23 of the Developmental Disabilities Assistance  
24 and Bill of Rights Act of 2000 (42 U.S.C.  
25 15061 et seq.).

1 (M) A representative of the State protec-  
2 tion and advocacy system, as defined in section  
3 102 of the Developmental Disabilities Assist-  
4 ance and Bill of Rights Act of 2000 (42 U.S.C.  
5 15002).

6 (N) A representative of the State Medicaid  
7 office.

8 (O) Representatives of other State agencies  
9 and disability organizations and other disability  
10 related offices and groups with expertise in  
11 competitive integrated employment.

12 (b) GEOGRAPHIC DIVERSITY.—To the extent prac-  
13 ticable, the Secretary shall distribute grant funds under  
14 this section equitably among geographic areas of the  
15 United States, and take into account rural and urban di-  
16 versity.

17 (c) DURATION OF AWARDS.—A grant under this sec-  
18 tion shall be awarded for a period of 5 years.

19 (d) LIMIT ON AWARD NUMBER.—A State may only  
20 be awarded 1 grant under this section.

21 (e) AMOUNT OF AWARDS.—A grant awarded under  
22 this section may not be made in an amount that is less  
23 than \$2,000,000, or more than \$10,000,000 for the 5 year  
24 grant period.

1 (f) ADDITIONAL FUNDING FOR SUPPORTED EMPLOY-  
2 MENT SERVICES.—

3 (1) IN GENERAL.—Title VI of the Rehabilita-  
4 tion Act of 1973 is amended—

5 (A) in section 603 (29 U.S.C. 795h)—

6 (i) in subsection (a), by adding at the  
7 end the following:

8 “(3) REFERENCES.—For purposes of this sub-  
9 section, any reference to sums or amounts appro-  
10 priated under this title shall not be considered to in-  
11 clude the amounts appropriated under section  
12 611(e).”;

13 (ii) in subsection (c)—

14 (I) by inserting “or a grant  
15 under section 611” after “allotment  
16 under this title”; and

17 (II) by inserting “or such grant”  
18 after “such allotment”; and

19 (iii) in subsection (d)—

20 (I) by inserting “or a grant  
21 under section 611” after “allotment  
22 under this title”; and

23 (II) by inserting “or such grant”  
24 after “such allotment”;

1 (B) in section 604(b)(2) (29 U.S.C.  
2 795i(b)(2)), by inserting “(including through a  
3 grant awarded under section 611)” after “this  
4 title”;

5 (C) in section 610 (29 U.S.C. 795o), by in-  
6 serting “, except for section 611,” after “this  
7 title”; and

8 (D) by adding at the end the following:

9 **“SEC. 611. ADDITIONAL FUNDING FOR CERTAIN STATES**  
10 **WITH COMPETITIVE INTEGRATED EMPLOY-**  
11 **MENT.**

12 “(a) GRANTS.—From amounts appropriated under  
13 subsection (e), the Secretary shall award a grant under  
14 this section to each eligible State that submits an applica-  
15 tion under subsection (c) for the purposes described in sec-  
16 tion 604.

17 “(b) ELIGIBILITY.—

18 “(1) IN GENERAL.—A State is eligible for a  
19 grant under this section for a fiscal year if the  
20 State—

21 “(A) is eligible for an allotment under sec-  
22 tion 603(a) for the fiscal year; and

23 “(B) has successfully completed a grant  
24 under section 5102 of the Transformation to  
25 Competitive Integrated Employment Act during

1           that fiscal year or the preceding fiscal year, as  
2           determined under paragraph (2).

3           “(2) SUCCESSFULLY COMPLETING A COMPETI-  
4           TIVE INTEGRATED EMPLOYMENT GRANT.—A State  
5           has successfully completed a grant under section  
6           5102 of the Transformation to Competitive Inte-  
7           grated Employment Act if, at the conclusion of the  
8           5-year period of the grant, the Secretary deter-  
9           mines—

10                   “(A) the State has complied with all re-  
11                   quirements under such section for such grant;

12                   “(B) the State has ceased issuing special  
13                   certificates under section 14(c) of the Fair  
14                   Labor Standards Act of 1938 (29 U.S.C.  
15                   214(c)); and

16                   “(C) no special certificates issued under  
17                   such section have any force or effect.

18           “(c) APPLICATION.—A State seeking a grant under  
19           this section shall submit an application to the Secretary  
20           at such time, in such manner, and containing such infor-  
21           mation as the Secretary may reasonably require, including  
22           information demonstrating the State has successfully com-  
23           plied with the requirements under subsection (b)(2).

24           “(d) AWARDS.—

1           “(1) IN GENERAL.—A grant to a State under  
2 this section shall be awarded in an amount deter-  
3 mined under paragraph (2) for a fiscal year, except  
4 as provided under paragraph (3).

5           “(2) AMOUNT.—Subject to available appropria-  
6 tions under subsection (e), the amount of a grant  
7 under this section to a State for a fiscal year shall  
8 be equal to 25 percent of the amount allotted to  
9 such State under subsection (a) of section 603 for  
10 the preceding fiscal year (excluding any additional  
11 amounts allotted to the State under subsection (b)  
12 of such section).

13           “(3) CONTINUED COMPLIANCE.—If a State re-  
14 ceiving a grant under this section ceases compliance  
15 with subparagraph (B) or (C) of subsection (b)(2)  
16 for a fiscal year—

17                   “(A) no amounts shall be awarded through  
18 such grant for such fiscal year; or

19                   “(B) in a case in which such amounts have  
20 already been awarded to the State for such fis-  
21 cal year, the State shall return to the Secretary  
22 such amounts.

23           “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated for each of fiscal years

1 2028 through 2032 such sums as may be necessary to  
2 carry out this section.”.

3 (2) TABLE OF CONTENTS.—The table of con-  
4 tents in section 1(b) of the Rehabilitation Act of  
5 1973 is amended by adding after the item relating  
6 to section 610 the following:

“Sec. 611. Additional funding for certain States with competitive integrated  
employment.”.

7 **SEC. 5103. CERTIFICATE HOLDER GRANT PROGRAM.**

8 (a) IN GENERAL.—To be eligible to receive a grant  
9 under this section, an eligible entity shall submit an appli-  
10 cation to the Secretary at such time, in such manner, and  
11 including such information as the Secretary may reason-  
12 ably require.

13 (b) CONTENTS.—Each application submitted under  
14 subsection (a) shall include—

15 (1) the status of the eligible entity’s use of spe-  
16 cial certificates to employ individuals with disabil-  
17 ities, including—

18 (A)(i) the number of employees the eligible  
19 entity employs using such special certificates at  
20 the time of submission of the application;

21 (ii) the aggregate demographic profile of  
22 such employees, including gender, race, and  
23 type of disability of such employees, unless indi-

1 eating such demographic profile would disclose  
2 personally identifiable information; and

3 (iii) an historical accounting, covering each  
4 of the previous 4 fiscal years, of—

5 (I) the number of employees with a  
6 disability working for a wage that is—

7 (aa) less than the higher of the  
8 rate specified in section 6(a)(1) of the  
9 Fair Labor Standards Act of 1938  
10 (29 U.S.C. 206(a)(1)) or the rate  
11 specified in the applicable State or  
12 local minimum wage law; or

13 (bb) less than the customary rate  
14 paid by the employer for the same or  
15 similar work performed by other em-  
16 ployees who are not individuals with  
17 disabilities, and who are similarly sit-  
18 uated in similar occupations by the  
19 same employer and who have similar  
20 training, experience, and skills;

21 (II) an aggregate demographic profile  
22 of such employees including gender, race,  
23 ethnicity, age, and type of disability;

24 (B) the average, minimum, maximum, and  
25 range of hourly wages paid to employees em-

1           employed using such special certificates during the  
2           previous year;

3           (C) during the preceding 5 fiscal years, the  
4           number of individuals with disabilities,  
5           disaggregated by fiscal year, who have been  
6           transitioned by the eligible entity from employ-  
7           ment under such special certificates to competi-  
8           tive integrated employment; and

9           (D) a description of the business and pro-  
10          gram models (including the financial and orga-  
11          nizational structure) of the eligible entity that  
12          is using the special certificates, including—

13               (i) the number and types of contracts  
14               the entity has entered into during the pre-  
15               ceding 5 fiscal years to supply goods or  
16               services and under which individuals with  
17               or without disabilities are employed;

18               (ii) the budget and the funding struc-  
19               ture, including all sources of funding, for  
20               the preceding 5 fiscal years;

21               (iii) the human resource structure;  
22               and

23               (iv) the entities partnering with the  
24               eligible entity as described in subsection  
25               (h)(2);

1           (2) a description of activities to be funded  
2           under the grant, and the goals of such activities, in-  
3           cluding—

4                   (A) a description of the business and pro-  
5                   gram models of competitive integrated employ-  
6                   ment or a combination of competitive integrated  
7                   employment and integrated services into which  
8                   the models of the eligible entity will transform,  
9                   including the business plan, employment struc-  
10                  ture, and leadership organization of the eligible  
11                  entity;

12                   (B) a description of—

13                           (i) the integrated services to be pro-  
14                           vided by the eligible entity; or

15                           (ii) the eligible entity's process for re-  
16                           ferring an individual requiring such serv-  
17                           ices to a provider of such services to en-  
18                           sure that the individual receives such serv-  
19                           ices;

20                   (C) after the transformation of the eligible  
21                   entity's business and program models as de-  
22                   scribed in subparagraph (A), the number of em-  
23                   ployees that will be employed under such mod-  
24                   els;

1 (D) the date on which the eligible entity  
2 will discontinue using special certificates, and  
3 the funding structure the eligible entity will use  
4 to provide competitive integrated employment  
5 or a combination of such employment and inte-  
6 grated services; and

7 (E) the process to be used for the trans-  
8 formation of the eligible entity's business and  
9 program models as described in subparagraph  
10 (A), including—

11 (i) redesign of contracts;

12 (ii) changes in funding sources;

13 (iii) staff training on competitive inte-  
14 grated employment support and practices;

15 (iv) input from key stakeholders, in-  
16 cluding individuals with disabilities, their  
17 families, and other local stakeholders; and

18 (v) a description of the individuals  
19 who will be responsible for the development  
20 and implementation of such process;

21 (3) a description of the process to recruit and  
22 engage Federal, State, and local governments and  
23 nonprofit and private employers to hire individuals  
24 with disabilities who have been employed under spe-  
25 cial certificates;

1           (4) a timeline of activities to be implemented  
2           and goals to be reached on at least a quarterly basis  
3           during the 3-year grant period;

4           (5) a description of how the activities under the  
5           grant will coordinate and align Federal, State, and  
6           local programs, agencies, and funding in the trans-  
7           formation described in paragraph (2)(A);

8           (6) assurances that—

9                   (A) the activities carried out under the  
10                  grant will result in the transformation described  
11                  in paragraph (2)(A);

12                  (B) individuals with disabilities who are  
13                  employed by the eligible entity under special  
14                  certificates will be employed in competitive inte-  
15                  grated employment;

16                  (C) the eligible entity will comply with the  
17                  requirements of the Secretary with respect to  
18                  the collection of data;

19                  (D) the eligible entity will cooperate with  
20                  the evaluation described in title LIV by pro-  
21                  viding all data required and allow evaluation of  
22                  the activities under the grant; and

23                  (E) the eligible entity will cooperate with  
24                  the nonprofit entity carrying out technical as-

1           sistance and dissemination required under title  
2           LIII;

3           (7) a description of the eligible entity's evalua-  
4           tion plan to determine the impact of the grant;

5           (8) assurances of collaboration and support  
6           from all State entities, including the State Medicaid  
7           agency, the State developmental disability agency,  
8           the State vocational rehabilitation agency, the State  
9           department of education, the State board, the local  
10          board, and other State and local governmental enti-  
11          ties and organizations that support transformations  
12          to providing competitive integrated employment and  
13          integrated services for employees employed under a  
14          special certificate; and

15          (9) such other information and assurances as  
16          the Secretary may reasonably require.

17          (c) GEOGRAPHIC DIVERSITY.—To the extent prac-  
18          ticable, the Secretary shall distribute grant funds under  
19          this section equitably among geographic areas of the  
20          United States, and shall take into account rural and urban  
21          diversity.

22          (d) PROGRAM SIZE.—To the extent practicable, the  
23          Secretary shall distribute grant funds under this section  
24          equitably among eligible entities providing employment

1 using special certificates serving different numbers of indi-  
2 viduals.

3 (e) DURATION OF AWARDS.—

4 (1) GRANT PERIOD.—A grant awarded under  
5 this section shall be awarded for a period of 3 years.

6 (2) GRANT CYCLES.—Grants shall be awarded  
7 under this section in 2 grant cycles. Grants for the  
8 second grant cycle shall be awarded not earlier than  
9 the end of the second year of the first 3-year grant  
10 cycle.

11 (f) LIMIT ON AWARD NUMBER.—An eligible entity  
12 may only be awarded 1 grant total under this section.

13 (g) AMOUNT OF AWARDS.—A grant awarded under  
14 this section may not be made in an amount that is less  
15 than \$100,000, or more than \$500,000, for the 3-year  
16 grant period.

17 (h) ELIGIBLE ENTITY DEFINED.—In this title, the  
18 term “eligible entity” means an entity that—

19 (1) employs individuals with disabilities under  
20 special certificates and is located in a State that did  
21 not receive a grant under section 5102; and

22 (2) partners with at least 2 entities with experi-  
23 ence providing support to individuals with disabili-  
24 ties in competitive integrated employment, such  
25 as—

1 (A) an employer providing competitive in-  
2 tegrated employment;

3 (B) a State developmental disability agen-  
4 cy;

5 (C) a State mental health services agency;

6 (D) a representative of an agency de-  
7 scribed in paragraph (6) or (7) of section 8501  
8 of title 41, United States Code;

9 (E) a representative of the State Council  
10 on Developmental Disabilities, as defined in sec-  
11 tion 102 of the Developmental Disabilities As-  
12 sistance and Bill of Rights Act of 2000 (42  
13 U.S.C. 15002);

14 (F) a representative of the State vocational  
15 rehabilitation agency, as such term is used  
16 under the Rehabilitation Act of 1973 (29  
17 U.S.C. 701 et seq.);

18 (G) a representative of the State inde-  
19 pendent living centers, as such term is used  
20 under the Rehabilitation Act of 1973 (29  
21 U.S.C. 701 et seq.);

22 (H) a representative of one of the State  
23 University Centers for Excellence in Develop-  
24 mental Disabilities Education, Research, and  
25 Service, established under subtitle D of title I

1 of the Developmental Disabilities Assistance  
2 and Bill of Rights Act of 2000 (42 U.S.C.  
3 15061 et seq.);

4 (I) a representative of the State protection  
5 and advocacy system, as defined in section 102  
6 of the Developmental Disabilities Assistance  
7 and Bill of Rights Act of 2000 (42 U.S.C.  
8 15002); and

9 (J) a nonprofit agency or organization spe-  
10 cializing in competitive integrated employment.

11 **TITLE LII—PHASE OUT OF SPE-**  
12 **CIAL CERTIFICATES UNDER**  
13 **SECTION 14(C) OF THE FAIR**  
14 **LABOR STANDARDS ACT OF**  
15 **1938**

16 **SEC. 5201. TRANSITION TO FAIR WAGES FOR INDIVIDUALS**  
17 **WITH DISABILITIES.**

18 (a) IN GENERAL.—Subparagraph (A) of section  
19 14(c)(1) of the Fair Labor Standards Act of 1938 (29  
20 U.S.C. 214(c)(1)) is amended to read as follows:

21 “(A) at a rate that equals, or exceeds, the  
22 greater of—

23 “(i)(I) 60 percent of the wage rate in ef-  
24 fect under section 6(a)(1), beginning on the ef-  
25 fective date described in section 5201(b) of

1 Transformation to Competitive Integrated Em-  
2 ployment Act;

3 “(II) 70 percent of the wage rate in effect  
4 under section 6(a)(1), beginning 1 year after  
5 such effective date;

6 “(III) 80 percent of the wage rate in effect  
7 under section 6(a)(1), beginning 2 years after  
8 such effective date;

9 “(IV) 90 percent of the wage rate in effect  
10 under section 6(a)(1), beginning 3 years after  
11 such effective date; and

12 “(V) the wage rate in effect under section  
13 6(a)(1), beginning 4 years after such effective  
14 date; or

15 “(ii) the wage rate in effect on the day be-  
16 fore the date of enactment of the Trans-  
17 formation to Competitive Integrated Employ-  
18 ment Act for the employment, under a special  
19 certificate issued under this paragraph, of the  
20 individual for whom the wage rate is deter-  
21 mined under this paragraph;”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 subsection (a) shall take effect on the date that is 3  
24 months after the date of enactment of this Act.

1 **SEC. 5202. PROHIBITION ON NEW SPECIAL CERTIFICATES;**  
2 **SUNSET.**

3 Section 14(c) of the Fair Labor Standards Act of  
4 1938 (29 U.S.C. 214(c)) (as amended by section 5201),  
5 is further amended by adding at the end the following:

6 “(6) PROHIBITION ON NEW SPECIAL CERTIFI-  
7 CATES.—Notwithstanding paragraph (1), the Secretary  
8 shall not issue a special certificate under this subsection  
9 to an employer that was not issued a special certificate  
10 under this subsection before the date of enactment of the  
11 Transformation to Competitive Integrated Employment  
12 Act.

13 “(7) SUNSET.—Beginning on the day after the date  
14 that is 4 years after the effective date described in section  
15 5201(b) of the Transformation to Competitive Integrated  
16 Employment Act—

17 “(A) the authority to issue special certificates  
18 under paragraph (1) shall expire; and

19 “(B) no special certificates issued under para-  
20 graph (1) shall have any legal effect.”.

21 **TITLE LIII—TECHNICAL ASSIST-**  
22 **ANCE AND DISSEMINATION**

23 **SEC. 5301. TECHNICAL ASSISTANCE AND DISSEMINATION.**

24 (a) GRANT AUTHORIZED.—From the amounts appro-  
25 priated for this title, the Secretary (acting through the  
26 Office of Disability Employment Policy of the Department

1 of Labor in partnership with the Employment and Train-  
2 ing Administration of the Department of Labor), in part-  
3 nership with the Administration for Community Living of  
4 the Department of Health and Human Services and the  
5 Office of Special Education and Rehabilitative Services of  
6 the Department of Education, shall award a grant to a  
7 nonprofit entity to—

8 (1)(A) provide technical assistance to employers  
9 who are transforming from employing individuals  
10 with disabilities using special certificates to pro-  
11 viding competitive integrated employment;

12 (B) identify and disseminate private and public  
13 sector models of the transition described in subpara-  
14 graph (A); and

15 (C) build a set of replicable strategies for em-  
16 ployers using special certificates to increase their use  
17 of evidence-based practices in providing competitive  
18 integrated employment and increase their options for  
19 providing competitive integrated employment;

20 (2) collect and disseminate—

21 (A) evidence-based practices with respect  
22 to the transformations described in paragraph  
23 (1)(A), including practices that increase aware-  
24 ness of and access to training materials from  
25 and opportunities offered through the Office of

1           Disability Employment Policy of the Depart-  
2           ment of Labor; and

3           (B) evidence-based strategies for imple-  
4           menting the aims of activities, intended to im-  
5           prove the quality of integrated services to result  
6           in competitive integrated employment for indi-  
7           viduals with disabilities, carried out—

8                   (i) under the Workforce Innovation  
9                   and Opportunity Act (29 U.S.C. 3101 et  
10                  seq.);

11                  (ii) through settlement agreements  
12                  made pursuant to the employment require-  
13                  ments under the Olmstead decision; or

14                  (iii) through home and community-  
15                  based services described in the Home and  
16                  Community-Based Services (HCBS) final  
17                  rule published on January 16, 2014 (79  
18                  Fed. Reg. 2948), or a successor rule;

19           (3) leverage and increase awareness of and ac-  
20           cess to training materials and opportunities made  
21           available through training and technical assistance  
22           investments of—

23                   (A) the Office of Disability Employment  
24                   Policy of the Department of Labor;

1 (B) the Employment and Training Admin-  
2 istration of the Department of Labor;

3 (C) the Administration for Community  
4 Living of the Department of Health and  
5 Human Services; and

6 (D) the Office of Special Education and  
7 Rehabilitative Services of the Department of  
8 Education; and

9 (4)(A) raise awareness of efforts in States to  
10 carry out the Employment First initiative; and

11 (B) coordinate dissemination efforts related to  
12 ABLE accounts and other financial asset develop-  
13 ment resources through the ABLE National Re-  
14 source Center and the Department of the Treasury.

15 (b) APPLICATION.—

16 (1) IN GENERAL.—To be eligible to receive a  
17 grant under this section, a nonprofit entity shall  
18 submit an application to the Secretary at such time,  
19 in such manner, and including such information that  
20 the Secretary may reasonably require.

21 (2) CONTENTS.—Each application submitted  
22 under paragraph (1) shall include—

23 (A) a description of the nonprofit entity's  
24 expertise in providing technical assistance that  
25 shall include evidence of—

1 (i) knowledge of transforming busi-  
2 ness and program models providing em-  
3 ployment using special certificates to mod-  
4 els providing competitive integrated em-  
5 ployment and integrated services;

6 (ii) knowledge of methods for sup-  
7 porting employers, including employers not  
8 receiving a grant under title LI, to trans-  
9 form as described in clause (i);

10 (iii) experience working with non-  
11 profit, for-profit, Federal, State, and local  
12 agencies focusing on employment of youth  
13 and adults who are individuals with dis-  
14 abilities; and

15 (iv) experience working with individ-  
16 uals with disabilities and their families;

17 (B) a description of the nonprofit entity's  
18 expertise in providing, collecting, compiling,  
19 communicating, and disseminating information  
20 about program and systems change for pro-  
21 grams serving individuals with disabilities that  
22 shall include—

23 (i) expertise documenting program  
24 change;

1 (ii) experience compiling recommended  
2 practices related to program trans-  
3 formations;

4 (iii) expertise regarding competitive  
5 integrated employment for youth and  
6 adults who are individuals with disabilities;

7 (iv) expertise working with individuals  
8 with disabilities and their families through  
9 systems change procedures;

10 (v) expertise creating accessible prod-  
11 ucts to disseminate learned information,  
12 including through web-based means;

13 (vi) experience creating accessible  
14 websites to disseminate information;

15 (vii) experience working with non-  
16 profit, for-profit, Federal, State, and local  
17 agencies focusing on employment of youth  
18 and adults who are individuals with dis-  
19 abilities;

20 (viii) experience with assisting youth  
21 who are individuals with disabilities in  
22 transitioning from receiving services under  
23 the Individuals with Disabilities Education  
24 Act (20 U.S.C. 1401 et seq.) to inclusive

1 postsecondary education and competitive  
2 integrated employment; and

3 (ix) experience leveraging resources,  
4 available through the Office of Disability  
5 Employment Policy and the Employment  
6 and Training Administration, that are de-  
7 signed to provide effective and efficient  
8 services to job seekers who are individuals  
9 with disabilities in competitive integrated  
10 employment settings; and

11 (C) a description of the individuals at the  
12 nonprofit entity who will be responsible for car-  
13 rying out the activities under this title.

14 (3) DURATION OF AWARD.—A grant under this  
15 section shall be awarded for a period of 6 years, and  
16 shall be non-renewable.

17 (4) NONPROFIT ENTITY DEFINED.—In this sec-  
18 tion, the term “nonprofit entity” means a nonprofit  
19 entity with expertise in collecting, compiling, com-  
20 municating, and disseminating information about  
21 program and systems change for programs serving  
22 individuals with disabilities.

1           **TITLE LIV—REPORTING AND**  
2                                   **EVALUATION**

3   **SEC. 5401. IMPACT EVALUATION AND REPORTING.**

4           (a) IN GENERAL.—Not later than 6 months after the  
5 date of enactment of this Act, the Secretary shall enter  
6 into a contract with a nonprofit entity with experience in  
7 conducting evaluations of program and systems change ef-  
8 ferts to—

9                   (1) conduct a multi-year evaluation on the im-  
10            pact of this division, including the amendments  
11            made by this division, with respect to individuals  
12            with disabilities (including such individuals receiving  
13            a wage rate under section 14(c) of the Fair Labor  
14            Standards Act of 1938 (29 U.S.C. 214(c)), as  
15            amended by title LII); and

16                   (2) prepare the reports described in subsection  
17            (c).

18           (b) EVALUATION.—In carrying out subsection (a)(1),  
19 the nonprofit entity awarded a contract under this section  
20 shall evaluate—

21                   (1) changes in wages and employment for indi-  
22            viduals described in subsection (a)(1); and

23                   (2) actions taken by employers and States to  
24            comply with the amendments made by title LII and,  
25            in the case of an employer or State receiving funds

1 under title LI, to comply with the transformation re-  
2 quirements under such title.

3 (c) REPORTS.—The Secretary shall submit to the  
4 Committee on Health, Education, Labor, and Pensions of  
5 the Senate and the Committee on Education and the  
6 Workforce of the House of Representatives, the following  
7 reports on the evaluation conducted under subsection  
8 (a)(1):

9 (1) An interim report on the evaluation, not  
10 later than 3 years after the evaluation commences  
11 under subsection (a)(1).

12 (2) A final report on such evaluation, not later  
13 than 18 months after the date on which the legal ef-  
14 fect of special certificates expire pursuant to para-  
15 graph (7) of section 14(c) of the Fair Labor Stand-  
16 ards Act of 1938 (29 U.S.C. 214(c)), as added by  
17 title LII.

18 **SEC. 5402. WAGE AND HOUR REPORTS.**

19 (a) IN GENERAL.—For each year of the 5-year period  
20 described in section 14(c)(1)(A) of the Fair Labor Stand-  
21 ards Act of 1938 (29 U.S.C. 214(c)(1)(A)), as amended  
22 by title LII, the Secretary (acting through the Adminis-  
23 trator of the Wage and Hour Division), in coordination  
24 with the Civil Rights Division of the Department of Jus-  
25 tice, shall submit to the Committee on Health, Education,

1 Labor, and Pensions of the Senate and the Committee on  
2 Education and the Workforce of the House of Representa-  
3 tives, an annual report summarizing practices of employ-  
4 ers providing employment using special certificates, which,  
5 with respect to the preceding year, shall include—

6 (1) the number of employees (of such employ-  
7 ers) who are individuals with disabilities and who  
8 are compensated at a rate that is less than—

9 (A) the higher of the rate specified in sec-  
10 tion 6(a)(1) of the Fair Labor Standards Act of  
11 1938 (29 U.S.C. 206(a)(1)) or the rate speci-  
12 fied in the applicable State or local minimum  
13 wage law; or

14 (B) the customary rate paid by the em-  
15 ployer for the same or similar work performed  
16 by other employees who are not individuals with  
17 disabilities, and who are similarly situated in  
18 similar occupations by the same employer and  
19 who have similar training, experience, and  
20 skills;

21 (2) the type of employment setting (such as  
22 segregated employment or competitive integrated  
23 employment) and the integrated services provided by  
24 such employers;

1           (3) the average hourly wage, minimum and  
2           maximum hourly wage, and average hours worked  
3           per week of employees described in paragraph (1),  
4           disaggregated by employer and by State;

5           (4) the aggregate demographic characteristics  
6           of employees described in paragraph (1), including  
7           the gender, ethnicity, race, and type of disability of  
8           such employees; and

9           (5) the number of employees who have  
10          transitioned from employment provided under a spe-  
11          cial certificate to competitive integrated employment,  
12          disaggregated by employer and by State.

13          (b) REPORT ON SURVEY OF EXISTING SPECIAL CER-  
14          TIFICATE HOLDERS.—Not later than 1 year after the date  
15          of enactment of this Act, the Secretary (acting through  
16          the Administrator of the Wage and Hour Division) shall—

17                 (1) survey not less than 10 percent of employ-  
18                 ers providing employment to employees using special  
19                 certificates, as of the date of enactment of this Act,  
20                 which shall include an evaluation of—

21                         (A) the training and support provided to  
22                         such employees to promote their transition to  
23                         competitive integrated employment;

1 (B) the actions taken by employers to  
2 identify competitive integrated employment for  
3 such employees; and

4 (C) the wages of such employees, including  
5 whether such wages are at a rate that is less  
6 than—

7 (i) the higher of the rate specified in  
8 section 6(a)(1) of the Fair Labor Stand-  
9 ards Act of 1938 (29 U.S.C. 206(a)(1)) or  
10 the rate specified in the applicable State or  
11 local minimum wage law; or

12 (ii) the customary rate paid by the  
13 employer for the same or similar work per-  
14 formed by other employees who are not in-  
15 dividuals with disabilities, and who are  
16 similarly situated in similar occupations by  
17 the same employer and who have similar  
18 training, experience, and skills; and

19 (2) submit a report on the results of such sur-  
20 vey to the Committee on Health, Education, Labor,  
21 and Pensions of the Senate, the Special Committee  
22 on Aging of the Senate, and the Committee on Edu-  
23 cation and the Workforce of the House of Rep-  
24 resentatives.

1                   **TITLE LV—GENERAL**  
2                   **PROVISIONS**

3 **SEC. 5501. DEFINITIONS.**

4           In this division:

5               (1) **ABLE ACCOUNT.**—The term “ABLE ac-  
6           count” has the meaning given such term in section  
7           529A(e)(6) of the Internal Revenue Code of 1986.

8               (2) **COMPETITIVE INTEGRATED EMPLOY-**  
9           **MENT.**—The term “competitive integrated employ-  
10          ment” has the meaning given the term in section  
11          7(5) of the Rehabilitation Act of 1973 (29 U.S.C.  
12          705(5)).

13              (3) **DISABILITY.**—The term “disability” in-  
14          cludes any intellectual, developmental, mental health,  
15          or other disability.

16              (4) **INTEGRATED COMMUNITY PARTICIPATION**  
17          **AND WRAPAROUND SERVICES; INTEGRATED SERV-**  
18          **ICES.**—

19                   (A) **IN GENERAL.**—Except as provided in  
20                  subparagraph (B), the terms “integrated com-  
21                  munity participation and wraparound services”  
22                  or “integrated services” mean services for indi-  
23                  viduals with disabilities that are—

24                           (i) designed to assist such individuals  
25                           in developing skills and abilities to reside

1 successfully in home and community-based  
2 settings;

3 (ii) provided in accordance with a per-  
4 son-centered written plan of care;

5 (iii) created using evidence-based  
6 practices that lead to such individuals—

7 (I) maintaining competitive inte-  
8 grated employment;

9 (II) achieving independent living;  
10 or

11 (III) maximizing socioeconomic  
12 self-sufficiency, optimal independence,  
13 and full participation in the commu-  
14 nity;

15 (iv) provided in a community location  
16 that is not specifically intended for individ-  
17 uals with disabilities;

18 (v) provided in a location that—

19 (I) allows the individuals receiv-  
20 ing the services to interact with indi-  
21 viduals without disabilities to the full-  
22 est extent possible; and

23 (II) makes it possible for the in-  
24 dividuals receiving the services to ac-  
25 cess community resources that are not

1 specifically intended for individuals  
2 with disabilities and to have the same  
3 opportunities to participate in the  
4 community as individuals who do not  
5 have a disability;

6 (vi) provided in multiple locations to  
7 allow the individual receiving the services  
8 to have options, thereby—

9 (I) optimizing individual initia-  
10 tive, autonomy, and independence;  
11 and

12 (II) facilitating choice regarding  
13 services and supports, and choice re-  
14 garding the provider of such services;  
15 and

16 (vii) in compliance with the Home and  
17 Community-Based Services (HCBS) final  
18 rule published on January 16, 2014 (79  
19 Fed. Reg. 2948), or a successor rule.

20 (B) EXCLUSIONS.—The terms “integrated  
21 community participation and wraparound serv-  
22 ices” or “integrated services” shall not include  
23 a service provided in any of the following set-  
24 tings:

25 (i) A nursing facility.

1 (ii) An institution for individuals with  
2 mental diseases.

3 (iii) An intermediate care facility for  
4 individuals with intellectual disabilities.

5 (iv) A congregate setting in which an  
6 individual does not have the ability, at the  
7 time preferred by the individual and in ac-  
8 cordance with other preferences of the in-  
9 dividual, to access services supporting the  
10 full inclusion and engagement of the indi-  
11 vidual in the greater community.

12 (5) LOCAL BOARD; LOCAL PLAN.—The terms  
13 “local board” and “local plan” have the meanings  
14 given such terms in section 3 of the Workforce Inno-  
15 vation and Opportunity Act (29 U.S.C. 3102).

16 (6) OLMSTEAD DECISION.—The term  
17 “Olmstead decision” means the decision of the Su-  
18 preme Court of the United States in *Olmstead v.*  
19 *L.C.*, 527 U.S. 581 (1999).

20 (7) OLMSTEAD PLAN.—The term “Olmstead  
21 plan”, with respect to a State, means the plan of the  
22 State for complying with the holding in the  
23 *Olmstead* decision.

24 (8) INDIVIDUALS WITH DISABILITIES.—The  
25 term “individuals with disabilities” includes individ-

1 uals described in section 14(c)(1) of the Fair Labor  
2 Standards Act of 1938 (29 U.S.C. 214(c)(1)).

3 (9) SECRETARY.—The term “Secretary” means  
4 the Secretary of Labor.

5 (10) SPECIAL CERTIFICATE.—The term “spe-  
6 cial certificate” means a special certificate issued  
7 under section 14(c) of the Fair Labor Standards Act  
8 of 1938 (29 U.S.C. 214(c)).

9 (11) STATE.—The term “State” means each of  
10 the 50 States, the District of Columbia, the Com-  
11 monwealth of Puerto Rico, and the territory of  
12 Guam.

13 (12) STATE BOARD.—The term “State board”  
14 has the meaning given such term in section 3 of the  
15 Workforce Innovation and Opportunity Act.

16 (13) WORKFORCE DEVELOPMENT SYSTEM.—  
17 The term “workforce development system” has the  
18 meaning given such term in section 3 of the Work-  
19 force Innovation and Opportunity Act.

20 **SEC. 5502. AUTHORIZATION OF APPROPRIATIONS.**

21 There are authorized to be appropriated to carry out  
22 this division (other than section 5102(f)), \$50,000,000 for  
23 each of fiscal years 2024 through 2029.

